

Audit and Risk Committee Charter

Introduction	<p>This Charter defines the purpose, authority and responsibility of Coca-Cola Amatil Limited's Audit and Risk Committee (ARC).</p>
Purpose	<p>The purpose of the ARC is to provide an independent, objective review of the company's key financial and operational controls and the effective management of risk. Specifically the ARC is responsible for:</p> <ul style="list-style-type: none"> — Financial Reporting; to ensure the balance, transparency and integrity of published financial information, — Risk management and internal controls; to confirm the effectiveness of the company's internal control and risk management system, — Internal Audit; to be satisfied with the effectiveness of the internal audit function and to approve the appointment and assess the performance of the Internal Auditor, — External Audit; to ensure an independent audit process and recommend the appointment and assess the performance of the External Auditor, — Compliance with laws regulations and internal policies and industry standards; to confirm the company's process for monitoring compliance.
Independence and Membership	<p>Independence is essential to the effectiveness of the ARC and is obtained primarily through the composition of the ARC and the objectivity and independence of various assurance activities.</p> <p>The membership of the ARC shall consist of at least three Non-Executive members of the Board of Directors. The Chairman and members of the Committee shall be appointed by the Board of Directors and the Chairman will not be the Chairman of the Board.</p>
Quorum	<p>The quorum for a meeting of Committee members is two (2) members of which must at all times be independent Committee members. If a quorum is not present the meeting is adjourned to such place and time as the Chairman decides.</p>
Authority	<p>The ARC is authorised by the Board, within the scope of its responsibilities, to:</p> <ul style="list-style-type: none"> — have unrestricted access to members of management, employees and relevant information, — engage independent counsel and other advisers as it deems necessary to carry out its duties, — recommend the appointment, compensation and retention of the External Auditor, — overview the audit program of the external auditor, — approve the external audit engagement fees and terms as well as reviewing the policies for the provision of non-audit services by the External Auditor (and, when required, the framework for pre-approval of such services). — approve the appointment, compensation, retention and oversight of the work of the Internal Auditor.
Education	<p>Committee members are to be given an opportunity to attend education sessions as deemed appropriate by the Chairman of the ARC.</p>
Responsibilities Financial Reporting	<p>Exercise proper diligence in reviewing the company's half-yearly and annual financial statements and related releases to the Australian Securities Exchange (ASX) and make recommendations to the Board in relation to them. In doing so, it will consider:</p> <ul style="list-style-type: none"> — the appropriateness of accounting policies, — compliance with accounting policies and standards

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Risk Management and Internal Control

- compliance with statutory requirements,
- the adequacy of disclosure.

Meet with management and the external auditor to critically review and understand financial statements, key accounting policies and decisions and the results of the audit.

Ensure that significant adjustments, unadjusted differences, disagreements with management and critical accounting policies and practice are discussed with the External Auditor.

Evaluate whether management is communicating the importance of internal control and management of risk and therefore setting up the appropriate 'control culture'.

Receive regular reports from Chief Risk Officer ['CRO'] on Internal Audit & Risk .

Ensure that management has appropriate processes for identifying, assessing and responding to risks in a manner that is in accordance with the organisations risk appetite, and that those processes are operating effectively.

Ensure that the company has effective policies covering the key risks and, where appropriate, make recommendations to the Board in respect to these policies.

Evaluate the internal control systems implemented by management for the approval of transactions and the recording and processing of financial data.

Evaluate the controls and processes implemented by management to ensure that the financial systems, comply with relevant standards and requirements, and are subject to appropriate management review.

Review the overall effectiveness of the internal control and risk management frameworks and consider whether management has implemented recommendations made by the internal and external auditors.

Consider how management is held responsible for the security of computer systems and applications, and the contingency plans for processing financial information in the event of a systems breakdown or to protect against computer fraud or misuse.

Be consulted prior to the appointment or dismissal of the Group CFO, Chief Risk Officer and the General Counsel.

Approve the policies, processes and framework for identifying, analysing and addressing complaints (including whistleblowing) and review material complaints and their resolution.

Internal Audit

Review the activities, resources and organisational structure of the internal audit function and ensure that there are no unjustified restrictions or limitations on their programme.

Review the effectiveness of the internal audit function and ensure that it receives appropriate cooperation within the company.

Ensure that significant findings and recommendations made by the internal auditors and management's proposed response are received, discussed and appropriately acted on.

Review the audit plan and ensure that it addresses key risk areas and that there is appropriate co-ordination with the External Auditor.

Meet separately with the Chief Risk Officer and any appointed third party audit advisors at least twice a year to discuss any matters that the Committee or Auditor believes should be discussed privately. Ensure the Chief Risk Officer has access to the Chairman of the ARC when required.

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<p>External Audit</p>	<p>Review the professional qualification of the External Auditor (including background and experience of partner and auditing personnel).</p> <p>Review the independence of the External Auditor and any potential conflicts of interest.</p> <p>Make a recommendation to the Board for the appointment, reappointment, or termination of the appointment, of the External Auditor and review on an annual basis the performance of the External Auditor</p> <p>Review the External Auditor's proposed audit scope and approach.</p> <p>Approve the External Audit Engagement Letter.</p> <p>Discuss with the external auditor any audit problems encountered in the normal course of audit work, including any restriction on audit scope or access to information.</p> <p>Ensure that significant findings and recommendations made by the External Auditor and management's proposed response are received, discussed and acted on appropriately.</p> <p>Consult with the External Auditor on the appropriateness of the accounting policies applied in the company's financial reports and whether they are considered to be aggressive, balanced or conservative.</p> <p>Meet separately with the External Auditor at least twice a year to discuss any matters that the Committee or Auditor believes should be discussed privately. Ensure the External Auditor has access to the Chairman of the ARC when required.</p> <p>Review policies for the provision of non-audit services by the external auditor and where applicable the framework for pre-approval of audit and non-audit services.</p> <p>Ensure the company has appropriate policies for the hiring of audit firm personnel for senior positions.</p>
<p>Compliance with laws, regulations, internal policies and industry standards</p>	<p>Review the effectiveness of the system, for monitoring compliance with laws, regulations, internal policies and industry standards and the results of management's investigation and follow-up (including disciplinary action) of fraudulent acts or non-compliance.</p> <p>Obtain regular updates from the General Counsel and the CFO Statutory and Compliance about compliance matters that may have a material impact on the company's financial statements, strategy, operations or reputation.</p> <p>Be satisfied that all regulatory compliance matters related to the business of the company have been considered in the preparation of the financial statements.</p>
<p>Responsibilities of A&R Committee for reporting</p>	<p>Regularly report to the CCA Board on Committee activities and make appropriate recommendations.</p> <p>Ensure the board is aware of matters that may significantly affect the financial condition or affairs of the business.</p>
<p>Review of Charter</p>	<p>Review the Committee charter annually.</p>
<p>Self-Assessment of A&R Committee</p>	<p>Carry out a self-assessment and review of the A&R Committee annually.</p>